



**Course: TOPICS IN POVERTY AND INEQUALITY**

**Course Code: POI9X01**

**Marks: 100**

**Time : 3 hours**

**Assessor(s): Prof Nicholas Ngepah**

**Moderator: Prof M. Benhura**

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**Instructions:**

1. The paper consists of **3** questions
  2. Answer **questions one and any other question** of your choice.
  3. Number of pages: 2 pages
  4. The exam is open book. Candidates can consult any documents but plagiarism will be checked and seriously penalised.
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**Introduction**

The August, 2017 Report of Statistics South Africa on Poverty trends in South Africa shows that poverty has increased. According to the release, using the upper-bound poverty line (UBPL) of R992 per person per month, poverty is on the rise in South Africa, showing that, despite the general decline in poverty between 2006 and 2011, poverty levels have risen in 2015. The poverty headcount increased to 55,5% from 53,2% in 2011, implying that over 30,4 million South Africans live in poverty in 2015. As a poverty researcher, and against this background, answer the following questions as professionally as you can:

**QUESTION ONE**

1. Use the dataset provided to:
  - a. Generate three different indicators of welfare (16 marks)
  - b. Use the upper-bound poverty line (UBPL) of R992 to generate and interpret:
    - i. The poverty incidence (10 marks)
    - ii. Poverty intensity (8 marks)
    - iii. Poverty severity (6 marks)

In your analyses, ensure that you use methods that will allow one to draw inference for the whole South African population.

**QUESTION TWO**

1. Following from Question 1, profile poverty in South Africa by:
  - a. Race (12 marks)
  - b. Gender (8 marks)
  - c. Geography (10 marks)
  - d. Education (10 marks)
  - e. Employment (10 marks)
2. Thoroughly discuss the poverty profiles and make recommendations to the South African government regarding targeting the poor in poverty reduction policies (10marks)

### **QUESTION THREE**

1. Discuss poverty determinants, supporting your discussion with theoretical bases (15 marks)
2. Describe the steps you would follow to estimate poverty determinants (10 marks)
3. Use the dataset provided and the underlying poverty indicators generated in Question 1 above to estimate the correlates of poverty in South Africa (15 marks)
4. Discuss the policy implication of your findings in the South African context (15 marks)
5. What are the methodological and data-related limitations of your analyses (5 marks)

**End of paper**